

What is claimed is:

1. A method for modifying the payment terms of a transaction between a buyer and a seller, comprising:

5 at a computerized financial settlement exchange,
receiving a buyer's cost of funds and one or more liquidity preferences, a
seller's cost of funds and one or more liquidity preferences, and one
or more payment terms of a transaction, wherein said buyer's cost
of funds is specified by said buyer and said seller's cost of funds is
10 specified by said seller;
determining whether said transaction is eligible for modification based at
least in part on said buyer's cost of funds and one or more liquidity
preferences, said seller's cost of funds and one or more liquidity
preferences, and said one or more payment terms;
15 proposing a modification to said one or more payment terms if said
determining step finds that said transaction is eligible for
modification; and
modifying said one or more payment terms in said transaction without
financial intervention by a third party.

2. A method for facilitating the modification of payment terms in a transaction between a buyer and a seller, comprising:

25 at a computerized financial settlement exchange,
receiving a buyer's cost of funds, a seller's cost of funds, and one or more
payment terms of a transaction;
determining whether said transaction is eligible for modification based at
least in part on said buyer's cost of funds, said seller's cost of funds,
and said one or more payment terms; and
proposing a modification to said one or more payment terms if said
30 determining step finds that said transaction is eligible for
modification.

3. The method of claim 2, further comprising receiving in said financial settlement exchange costs of funds from a plurality of sellers.
- 5 4. The method of claim 2, further comprising receiving in said financial settlement exchange costs of funds from a plurality of buyers.
5. The method of claim 2, further comprising receiving in said financial settlement exchange costs of funds from a plurality of buyers and sellers.
- 10 6. The method of claim 2, further comprising receiving in said financial settlement exchange one or more liquidity preferences from said buyer.
- 15 7. The method of claim 6, further comprising determining whether said transaction is eligible for modification based at least in part on said buyer's one or more liquidity preferences.
8. The method of claim 2, further comprising receiving in said financial settlement exchange one or more liquidity preferences from said seller.
- 20 9. The method of claim 8, further comprising determining whether said transaction is eligible for modification based at least in part on said seller's one or more liquidity preferences.
- 25 10. The method of claim 2, further comprising receiving in said financial settlement exchange liquidity preferences from a plurality of buyers and sellers.
11. The method of claim 2, further comprising modifying said one or more payment terms in said transaction.
- 30 12. The method of claim 11, wherein said modifying step does not involve financial intervention by a third party.
13. The method of claim 2, wherein said exchange is part of the buyer.

14. The method of claim 2, wherein said exchange is part of the seller.
15. The method of claim 2, wherein said exchange is not part of the buyer or the seller.
- 5 16. The method of claim 2, wherein said buyer's cost of funds is specified by said buyer and said seller's cost of funds is specified by said seller.
- 10 17. A method for modifying the payment terms of a transaction between a buyer and a seller, comprising:
at a computerized financial settlement exchange,
receiving a buyer's cost of funds, a seller's cost of funds, and one or more
payment terms of a transaction;
determining whether said transaction is eligible for modification based at
15 least in part on said buyer's cost of funds, said seller's cost of funds,
and said one or more payment terms; and
modifying said one or more payment terms in said transaction if said
determining step finds that said transaction is eligible for
modification.
- 20 18. A method for facilitating the modification of payment terms in a transaction between participants, comprising:
sending one or more payment terms of a transaction between a first
participant and a second participant to a computerized financial
25 settlement exchange configured to determine whether said
transaction is eligible for modification based at least in part on said
first participant's cost of funds, said second participant's cost of
funds, and said one or more payment terms; and
receiving a proposal from said exchange to modify said one or more
30 payment terms in said transaction if said exchange determines that
said transaction is eligible for modification.

19. A method for modifying the payment terms of a transaction between participants, comprising:

5 sending one or more payment terms of a transaction between a first participant and a second participant to a computerized financial settlement exchange configured to:

determine whether said transaction is eligible for modification based at least in part on said first participant's cost of funds, said second participant's cost of funds, and said one or more payment terms; and

10 modify said one or more payment terms in said transaction if said exchange determines that said transaction is eligible for modification; and

receiving from said exchange notification of said modification.

- 15 20. A financial settlement exchange system comprising at least one computer, wherein said at least one computer receives a buyer's cost of funds, a seller's cost of funds, and one or more payment terms of a transaction;
- 20 determines whether said transaction is eligible for modification based at least in part on said buyer's cost of funds, said seller's cost of funds, and said one or more payment terms; and
- proposes a modification to said one or more payment terms if said determination finds that said transaction is eligible for modification.

- 25 21. A financial settlement exchange system comprising at least one computer, wherein said at least one computer receives a buyer's cost of funds, a seller's cost of funds, and one or more payment terms of a transaction;
- 30 determines whether said transaction is eligible for modification based at least in part on said buyer's cost of funds, said seller's cost of funds, and said one or more payment terms; and

modifies said one or more payment terms if said determination finds that said transaction is eligible for modification.

22. A machine readable medium having stored thereon data representing sequences of instructions, which when executed by a computerized financial settlement exchange, cause said exchange to execute a method for facilitating the modification of payment terms in a transaction between a buyer and a seller, the method comprising:

receiving a buyer's cost of funds, a seller's cost of funds, and one or more payment terms of a transaction;

determining whether said transaction is eligible for modification based at least in part on said buyer's cost of funds, said seller's cost of funds, and said one or more payment terms; and

proposing a modification to said one or more payment terms if said determining step finds that said transaction is eligible for modification.

23. A machine readable medium having stored thereon data representing sequences of instructions, which when executed by a computerized financial settlement exchange, cause said exchange to execute a method for modifying the payment terms of a transaction between a buyer and a seller, the method comprising:

receiving a buyer's cost of funds, a seller's cost of funds, and one or more payment terms of a transaction;

determining whether said transaction is eligible for modification based at least in part on said buyer's cost of funds, said seller's cost of funds, and said one or more payment terms; and

modifying said one or more payment terms if said determining step finds that said transaction is eligible for modification.